

MOTION BY SUPERVISOR DON KNABE

October 25, 2016

PURCHASE AND REDEVELOPMENT OF THE SAN PEDRO COURTHOUSE PROPERTY

On June 14, 2016, the Board approved a motion by Supervisor Knabe that authorized the Chief Executive Officer (CEO) to complete negotiations with the State of California for the County to acquire the State's 95.15 percent ownership interest in the San Pedro Courthouse located at 505 S. Centre Street, Los Angeles (Courthouse Property). The June 14, 2016 Board motion also authorized the CEO to execute the Purchase and Sale Agreement (Agreement) between the County and the State, once both sides had agreed to terms for the County's purchase, and AB 1900, an urgency statute authorizing the sale, was approved and signed by Governor Brown. At its July 26, 2016 Board meeting, the Board adopted a resolution of its intent to consider proposals for the redevelopment of the Courthouse Property by private developers, upon the County's acquisition of the Courthouse Property. In accordance with Government Code sections 25350 and 6063, the Board's Executive Office caused a notice of intention to acquire the Courthouse Property to be published. County staff has completed all its due diligence related to the proposed purchase of the Courthouse Property, including title, environmental and geotechnical analysis, and accordingly, it is

- MORE -

MOTION

RIDLEY-THOMAS _____

KUEHL _____

KNABE _____

ANTONOVICH _____

SOLIS _____

now requested that the Board consider and adopt the CEQA documents related to the proposed acquisition of the Property, for which no comments were received during the public review period, and consummate the transaction pursuant to Government Code section 25350.

Upon Board approval of the recommended actions, CEO will proceed with execution of the Agreement and completion of the purchase. After reviewing all development proposals received, County staff (CEO and Department of Public Works) will return to the Board with a recommendation for the possible award of an Exclusive Negotiation Agreement with the recommended developer and consideration of appropriate CEQA findings related to the proposed redevelopment of the San Pedro Courthouse.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Consider the Negative Declaration (attached hereto as Attachment A) for the County's acquisition of the San Pedro Courthouse located at 505 S. Centre Street, in the City of Los Angeles, for which no comments were received during the public review period, and find on the basis of the whole record before the Board of Supervisors that there is no substantial evidence that the acquisition of the Property will have a significant effect on the environment; find that the Negative Declaration reflects the independent judgment and analysis of the Board; and adopt the Negative Declaration. Instruct the CEO or her designee to file a Notice of Determination for the Negative Declaration with the Registrar-Recorder/County Clerk in accordance with Section 15062 of the State CEQA Guidelines. Find on the basis of the whole record that the acquisition of the Property will have no effect on fish and wildlife, and instruct

- the CEO or her designee to submit a no effect determination request to the California Department of Fish and Game and then file the appropriate determination documentation with the Registrar-Recorder/County Clerk.
2. Order the purchase of the Courthouse Property to be consummated in accordance with Government Code Section 25350, and approve and authorize the Chief Executive Officer, or her designee, to sign the Purchase and Sale Agreement in substantially the form attached hereto as Attachment B, to purchase the Courthouse Property for \$5,119,070, plus title and escrow fees in an amount not to exceed \$15,000.
 3. Authorize the Chief Executive Officer or her designee to take all further actions necessary and appropriate to effectuate the purchase of the Courthouse Property, including without limitation opening and management of escrow and execution of any documentation to consummate the purchase and accepting the deed conveying title to the County of Los Angeles, and to take any other actions consistent with and necessary for implementation of these approvals.
 4. Authorize the Auditor-Controller to issue warrants, as directed by the Chief Executive Officer or her designee, for the purchase and any other related transactional costs.
 5. Instruct the Assessor's office to place the Courthouse Property under the complete ownership of the County of Los Angeles, and remove the Courthouse Property from the tax roll, effective upon the transfer, if necessary.

Exhibit A

7455-014-035

7455-014-035

7455-019-022

W 5th St

Nelson St

S Centre St

HEAD AHEAD

STOP STOP

W 6th St

Property to be Acquired
by County of LA

SAN PEDRO

7455-013-901

7455-020-119
7455-020-116
7455-020-111
7455-020-110
7455-020-117

7455-020-043

District 4

Los Angeles

7455-013-001

7455-013-007

7455-013-006

7455-013-005

7455-013-002

7455-021-110
7455-021-113
7455-021-111
7455-021-115
7455-021-112

7455-012-002

7455-012-003

7455-012-004

7455-012-005

7455-012-006

7455-012-007

7455-012-008

7455-012-009

7455-012-010

7455-012-011

7455-012-012

7455-012-013

7455-012-014

7455-012-015

REAL PROPERTY PURCHASE AND SALE AGREEMENT

Dated as of this _____ day of _____, 2016 (the "Effective Date"), the parties to this Real Property Purchase and Sale Agreement ("Agreement") are the STATE OF CALIFORNIA, by and through the JUDICIAL COUNCIL OF CALIFORNIA (the "JUDICIAL COUNCIL" or "SELLER"), and the COUNTY OF LOS ANGELES, a body corporate and politic (the "COUNTY" or "BUYER"). The JUDICIAL COUNCIL or SELLER and COUNTY or BUYER are hereafter collectively referred to as the PARTIES. The PARTIES agree as follows:

RECITALS

- A. The State of California, by and through the JUDICIAL COUNCIL, holds title to certain real property located in the City of Los Angeles, County of Los Angeles, State of California, consisting of an approximately 1.8-acre parcel of land, commonly known as 505 South Centre Street, California, with Assessor's parcel number 7455-013-901, which is more particularly described in Exhibit A and depicted in Exhibit B ("Land"), and the two-story building ("Building") containing approximately 30,000 square feet of space located thereon and commonly known as the San Pedro Courthouse. Exhibit A and Exhibit B are incorporated herein by this reference as though set forth in full. The Land and Building together are herein referred to as the "Property."
- B. Pursuant to that certain Transfer Agreement Between the Judicial Council of California, by and through the Administrative Office of the Courts and the County of Los Angeles for the Transfer of Responsibility For and Transfer of Title to the San Pedro Courthouse dated as of December 16, 2008, JUDICIAL COUNCIL holds a 95.15%, equity interest ("SELLER's Equity Interest") and COUNTY a 4.85% equity interest ("BUYER's Equity Interest") in the Property.
- C. JUDICIAL COUNCIL desires to sell to COUNTY, and COUNTY desires to purchase from JUDICIAL COUNCIL, all of SELLER's Equity Interest in, and title to, the Property, as specifically described below.
- D. In accordance with Government Code sections 70391, 11011 and, as set forth in Assembly Bill 1900 (the "Authorizing Legislation"), JUDICIAL COUNCIL is authorized to dispose of the Property, and in accordance with Government Code section 25350, the COUNTY is authorized to acquire the Property.

AGREEMENT

In consideration of the foregoing Recitals and for other good and valuable consideration, the PARTIES agree as follows:

- 1. Incorporation of Recitals. The foregoing provisions of the Recitals are true and correct and are incorporated into this Agreement by this reference.
- 2. Transaction Summary. JUDICIAL COUNCIL agrees to sell to COUNTY all of SELLER's Equity Interest in, and title to, the Property subject to terms and conditions of this Agreement.

3. Purchase Price. The COUNTY agrees to pay Five Million One Hundred Nineteen Thousand Seventy and 00/100 Dollars (\$5,119,070.00) (the "Purchase Price") into escrow with Chicago Title Company, as further described in section 6 below, for the account of SELLER, subject to the conditions outlined in this Agreement.
4. Other Liens. Said title company may expend any or all monies payable under this Agreement to discharge any obligations which are liens upon the Property, including but not limited to those arising from judgments, assessments, taxes, or debts secured by deeds of trust or mortgages. Property taxes for the fiscal year in which this escrow closes, if unpaid, shall be paid by SELLER in escrow to and including the date of close of escrow. The payment shall be based on the most recent information applicable to the fiscal year and obtainable through the taxing agencies. COUNTY shall not be responsible for any tax refund.
5. Escrow and Recording Fees. COUNTY and SELLER shall each pay one-half of the escrow fees. In addition, COUNTY shall pay any costs related to premiums and endorsements with respect to title insurance. The parties acknowledge that both SELLER and COUNTY, as governmental entities, are exempt from the payment of documentary transfer taxes and recording fees.
6. Title and Escrow. Title to said Property shall pass immediately upon close of escrow, free and clear of all liens, leases, reservations, encumbrances, assessments, easements, of record or otherwise, and of taxes. The issuance of any escrow instructions shall be the sole responsibility of the BUYER and shall govern the escrow. BUYER will open an escrow account with Chicago Title Company (Escrow Holder), located at 725 South Figueroa Street, Suite 200, Los Angeles, CA 90017, Attention: Cheryl Yanez.
7. Close of Escrow. Escrow shall be scheduled to close approximately forty-five (45) days after the later to occur of the effective date of Authorizing Legislation or 45 days after full execution of this Agreement, subject to reasonable extension upon mutual agreement by the PARTIES ("Close of Escrow").
8. Seller's Conditions Precedent. SELLER's obligation to perform under this Agreement and the Close of the Escrow shall be subject to and contingent upon satisfaction of each of the following conditions precedent prior to the close of escrow:
 - a. The timely deposit by BUYER with Escrow Holder of all documents and funds required to be deposited by BUYER under this Agreement.
 - b. Performance by BUYER of all obligations, covenants and agreements on BUYER's part to be performed under this Agreement within the time provided in this Agreement for such performance.
 - c. Authorization and approval of the acquisition and this Agreement by a vote of the County Board of Supervisors at a duly noticed public meeting, after making appropriate CEQA findings.

9. BUYER's Conditions Precedent. BUYER's obligation to perform under this Agreement and the Close of Escrow shall be subject to and contingent upon satisfaction of each of the following conditions precedent prior to the Close of Escrow:
- a. The timely deposit by SELLER with Escrow Holder of all documents required to be deposited by SELLER under this Agreement.
 - b. SELLER's delivery to BUYER of the documents listed below (collectively the "Preliminary Documents") within 10 days after the Effective Date:
 - (1) Any governmental permits, certificates, and approvals required for lawful operation of any of the installed equipment and systems that serve the Building.
 - (2) The Phase I Environmental Site Assessment of the Property dated April 2008 and prepared by Earth Tech for the JUDICIAL COUNCIL, and various records of SELLER concerning, relating to, and affecting the Property which may identify certain evidence of environmental contamination of the Property including the presence of asbestos containing materials. SELLER does not warrant the accuracy of any information contained in these reports or records.
 - (3) Seismic Assessment documents dated April 22, 2003 and September 4, 2007.
 - c. Performance by SELLER of all obligations, covenants and agreements on SELLER's part to be performed under this Agreement within the time provided in this Agreement for such performance.
 - d. Passage of the effective date of legislation authorizing disposition of the Property by SELLER.
 - e. Prior to the Close of Escrow, BUYER shall have the right, but not the obligation, to deliver to SELLER a written notice approving the condition of the Property ("Due Diligence Contingency Notice"). If BUYER does not deliver the Due Diligence Contingency Notice on or prior to the Close of Escrow, BUYER shall be deemed to have approved of the condition of the Property.
 - f. As of the Close of Escrow, all of SELLER's representations and warranties set forth herein shall be true and accurate with the same force and effect as if remade by SELLER in a separate certificate at the Close of Escrow.
 - g. On the date of the Close of Escrow, Title Company shall be irrevocably and unconditionally committed to issue to BUYER a CLTA Owner's Policy of Title Insurance – Extended Coverage ("Owner's Policy"), with liability coverage in either (at BUYER's sole discretion) the amount of the Purchase Price or appraised value of the Property, and showing fee title to the Property vested in BUYER, free and clear of all liens, leases, taxes, assessments, reservations,

easements of record or otherwise, and encumbrances, except for any exceptions shown on the Title Report which BUYER has not specifically approved in writing.

10. Seller's Representations and Warranties. In addition to any express agreements of SELLER contained herein, the following constitute representations and warranties of SELLER to BUYER:

a. Representations Regarding Seller's Authority.

- (1) As of the effective date of the Authorizing Legislation, SELLER has full right, power and legal authority to enter into this Agreement, sell, transfer and convey the Property to BUYER under this Agreement and to carry out SELLER's obligations under this Agreement.
- (2) As of the effective date of the Authorizing Legislation, the individuals executing this Agreement and the instruments referenced herein on behalf of SELLER have the legal power, right and actual authority to bind SELLER to the terms hereof and thereof.
- (3) As of the effective date of the Authorizing Legislation, this Agreement is, and all other instruments, documents and agreements required to be executed and delivered by SELLER in connection with this Agreement are and shall be, duly authorized, executed and delivered by SELLER and shall be valid, legally binding obligations of and enforceable against SELLER in accordance with their terms, and do not, and as of the Close of Escrow will not, violate any provisions of any agreement, law, rule, regulation or judicial order to which SELLER or the Property is subject.

b. Warranties and Representations Pertaining to Real Estate and Legal Matters. To the best of SELLER's knowledge as to the matters set forth in sections (1) through (5):

- (1) There is no suit, action, arbitration, legal, administrative, or other proceeding or inquiry pending against the Property or pending against SELLER which could affect SELLER's title to the Property, affect the value of the Property, or subject an owner of the Property to liability.
- (2) There are no attachments, execution proceedings, or assignments for the benefit of creditors, or other proceedings pending against SELLER.
- (3) SELLER has not entered into any other contracts for the sale of the Property, nor does there exist any rights of first refusal, reversions, or options to purchase the Property or any portion of the Property. SELLER is not party to nor subject or bound by any agreement, contract, or lease of any kind relating to the Property which would impose an obligation on BUYER or otherwise affect marketability of title to the Property.
- (4) There are no unrecorded leases, licenses or other agreements which grant any person or entity the right to use or occupy any portion of the Property, including any improvements thereon except for that certain

unrecorded Revocable and Non-Exclusive License for the Use of Real Property dated as of November 1, 2010 by and between the Gunter Family Trust and SELLER (the "Gunter License").

- (5) There are no uncured notices from any governmental agency notifying SELLER of any violations of law, ordinance, rule, or regulation, including Environmental Laws, occurring on the Property.
- c. Warranties, Representations and Covenants Regarding Operation of the Property through Close of Escrow.
 - (1) SELLER hereby agrees that SELLER will not hereafter enter into new leases or any other obligations or agreements affecting the Property without the prior written consent of BUYER, which consent the BUYER may withhold or grant in its absolute discretion.
 - (2) SELLER will not subject the Property to any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters after the date of this Agreement that will not be eliminated prior to the Close of Escrow.
 - (3) As of the Close of Escrow, all of SELLER's representations and warranties set forth herein shall be true and accurate with the same force and effect as if remade by SELLER in a separate certificate at the Close of Escrow.
- d. General Representation. No representation, warranty or statement of SELLER in this Agreement or in any document, certificate or schedule furnished or to be furnished to BUYER pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading. SELLER's representations and warranties made in this Agreement shall be continuing and shall be true and correct as of the date of the Close of Escrow with the same force and effect as if remade by SELLER in a separate certificate at that time. The truth and accuracy of SELLER's representations and warranties made herein shall constitute a condition for the benefit of BUYER to the Close of Escrow (as elsewhere provided herein) and shall not merge into the Close of Escrow or the recordation of the quitclaim deed in the Official Records, and shall survive the Close of Escrow.
- e. As used herein "to the best of SELLER's knowledge" means to the actual, but not constructive, knowledge of the Director, Real Estate and Facilities Management. BUYER has had full opportunity to inspect the Property and Purchaser agrees that SELLER has no duty to make any investigation as to the matters warranted and represented above.
- f. The PARTIES agree that (1) SELLER's warranties and representations in this Agreement and in any document executed by SELLER under this Agreement with respect to the Property will survive for 6 months after Close of Escrow, and (2) if Buyer fails to provide written notice to SELLER of any breach of such warranties or representations within 6 months after Close of Escrow, BUYER will

be deemed to have waived all claims for breach of any representations and warranties with respect to the Property. BUYER's sole remedy will be an action at law for damages as a consequence of such breach or termination of this Agreement and waiver of any further claims against SELLER.

- g. Subject to the approval or waiver of the BUYER's Conditions Precedent in section 9 above, SELLER's pre-closing obligations under section 11 below, and as a material inducement to SELLER's execution and delivery of this Agreement and performance of its duties under this Agreement: EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, BUYER HAS AGREED TO ACCEPT POSSESSION OF THE PROPERTY ON THE CLOSING DATE ON AN "AS IS" BASIS. SELLER AND BUYER AGREE THAT THE PROPERTY WILL BE SOLD "AS IS, WHERE IS, WITH ALL FAULTS" WITH NO RIGHT OF SET-OFF OR REDUCTION IN THE PURCHASE PRICE, AND, EXCEPT AS SET FORTH IN SECTION 10 OF THIS AGREEMENT, SUCH SALE WILL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, WARRANTY OF INCOME POTENTIAL, OPERATING EXPENSES, USES, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE), AND SELLER DISCLAIMS AND RENOUNCES ANY SUCH REPRESENTATION OR WARRANTY.
- h. Except as provided in subsection f of this section 10, effective from and after the Close of Escrow, BUYER hereby waives, releases, acquits, and forever discharges SELLER, and SELLER's agents, directors, officers, and employees to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs, expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or that may arise in the future because of or in any way growing out of or connected with this Agreement and the Property (including without limitation the condition of the Property), except matters arising from SELLER's fraud or intentional misrepresentation. BUYER EXPRESSLY WAIVES ITS RIGHTS GRANTED UNDER CALIFORNIA CIVIL CODE §1542, AND ANY OTHER PROVISION OF LAW THAT PROVIDES A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT BUYER DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MUST HAVE MATERIALLY AFFECTED ITS AGREEMENT TO RELEASE SELLER.

Seller and Buyer have each initialed this subsection h of section 10 to further indicate their awareness and acceptance of each and every provision of this Agreement. The provisions of this subsection h of section 10 will survive the Close of Escrow.

SELLER's Initials: _____

BUYER's Initials: _____

11. Buyer's Representations and Warranties. In addition to any express agreements of BUYER contained herein, the following constitute representations and warranties of BUYER to SELLER, subject to section 25 of this Agreement:
- a. Representations Regarding Buyer's Authority.
 - (1) BUYER has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby.
 - (2) The individuals executing this Agreement and the instruments referenced herein on behalf of BUYER have the legal power, right, and actual authority to bind BUYER to the terms and conditions hereof and thereof, subject to the conditions in section 25 below.
 - (3) This Agreement is, and all other instruments, documents and agreements required to be executed and delivered by BUYER in connection with this Agreement are and shall be, duly authorized, executed and delivered by BUYER and shall be valid, legally binding obligations of and enforceable against BUYER in accordance with their terms.
 - b. General Representation. No representation, warranty or statement of BUYER in this Agreement or in any document, certificate or schedule furnished or to be furnished to SELLER pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading. BUYER's representations and warranties made in this Agreement shall be continuing and shall be true and correct as of the date of the Close of Escrow with the same force and effect as if remade by BUYER in a separate certificate at that time. The truth and accuracy of BUYER's representations and warranties made herein shall constitute a condition for the benefit of SELLER to the Close of Escrow (as elsewhere provided herein) and shall not merge into the Close of Escrow or the recordation of the quitclaim deed in the Official Records, and shall survive the Close of Escrow.
12. Seller's Obligations. SELLER shall comply with the following requirements prior to the Close of Escrow:
- a. No Grants or Conveyances. SELLER shall not grant, convey, or enter into any easement, lease, license, agreement, lien, encumbrance, or any other legal or beneficial interest in or to the Property, without the prior written consent of BUYER, which consent shall not be unreasonably withheld or delayed.
 - b. No Violation of Laws. After execution of this Agreement by SELLER and up to the Close of Escrow, SELLER shall not violate, nor allow the violation of, any law, ordinance, rule, or regulation affecting the Property.
 - c. Taxes and Assessments. SELLER shall pay, if and when the same are due, all payments on any encumbrances or assessments presently affecting the Property and any and all taxes, assessments, and levies in respect of the Property

through the Close of Escrow.

- d. No Modification to Condition of Property. SELLER shall (i) not alter the physical condition of the Property; (ii) maintain the Property in substantially the same condition as that which existed as of the date that BUYER executed this Agreement; and (iii) deliver possession of the Property to BUYER at the Close of Escrow in substantially the same condition that existed as of the date that BUYER executed this Agreement except for any remediation that SELLER agrees to do as in response to SELLER's due diligence.
- e. No Recordation of CCRs. SELLER shall not record any covenants, conditions or restrictions against the Property, including without limitation any design restrictions with respect to the development of the Property.
- f. No Assessment Districts or Special Tax Districts. SELLER shall not assist with the formation, vote for, or agree to any assessment districts or special tax districts which results in a special tax or assessment upon the Property.

13. Additional Terms of Sale.

- a. Loss, Destruction and Condemnation. The PARTIES agree that the following provisions shall govern the risk of loss, destruction and condemnation:
 - (1) If, before SELLER transfers legal title or possession of the Property, all or a material part of the Property is destroyed without fault of BUYER, or is taken by eminent domain by any governmental entity, BUYER shall be entitled to terminate its obligations under this Agreement by written notice to SELLER and SELLER shall not have the right to enforce against BUYER this Agreement. If BUYER does not elect to terminate this Agreement, then BUYER shall, as applicable, either: (a) proceed to close as provided herein with the Purchase Price being reduced, as applicable, and in the case of any eminent domain proceedings, by the total of any awards or other proceeds received or assured to be received by SELLER as a result of such proceedings, or (b) proceed to close as provided herein with an assignment, as applicable, by SELLER of all of the SELLER's rights, title and interest in and to all such eminent domain awards and proceeds. SELLER will promptly notify BUYER in writing of any eminent domain proceedings affecting the Property.
 - (2) If, after SELLER transfers legal title of the Property to BUYER at the Close of Escrow, all or any part of the Property is destroyed without fault of SELLER, or is taken by eminent domain by any governmental entity, BUYER is not relieved from BUYER's obligation under this Agreement to pay the full price for the Property.
- b. If this Agreement is accepted and all conditions precedent either met or waived in writing, the SELLER shall convey to the BUYER by a quitclaim deed in substantially the same form as set for in Exhibit C attached hereto without any express or implied covenant or warranty, title to the Property. Subject to the

provisions of the escrow instructions, yet to be prepared, the conveyance is subject to the Property vesting in COUNTY, free and clear of all liens, leases, reservations, encumbrances, assessments, easements, of record or otherwise, and of taxes, except the Gunter License.

- c. Brokers. BUYER and SELLER each represents and warrants to the other that it has had no dealings with any real estate broker or agent in connection with the sale contemplated by this Agreement and that they know of no real estate broker or agent who is entitled to a commission or finder's fee in connection with this transaction. Each party shall indemnify, protect, defend, and hold harmless the other party against all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including reasonable attorney fees) for any commission, finder's fee, or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent.
14. Access to Property. BUYER shall be provided with access to the Property and be entitled to undertake, at BUYER's sole expense, an inspection of the Property; a review of the physical condition of the Property, including but not limited to, inspection and examination of soils, environmental factors, hazardous substances, biological resources, archaeological information, and water resources, if any, relating to the Property; and a review and investigation of the effect of zoning, maps, permits, reports, engineering data, regulations, ordinances, and laws affecting the Property, if any.
15. Notices. Any notice, tender, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered, mailed or sent by wire or other telegraphic communication in the manner provided in this Agreement, to the following persons:

If to SELLER: Judicial Council of California
Real Estate and Facilities Management
Attn: Manager, Real Estate
455 Golden Gate Avenue, 8th Floor
San Francisco, CA 94102
Telephone: 415-865-4048

and

 Judicial Council of California
Legal Services
Attn: Supervising Attorney, Real Estate Unit
455 Golden Gate Avenue, 5th Floor
San Francisco, CA 94102
Telephone: 415-865-4056

If to BUYER: County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

Attention: Christopher M. Montana
Director of Real Estate Division

16. Assignment. SELLER shall not assign its interest under this Agreement at any time prior to the Close of Escrow.
17. Calculation of Time. Under this Agreement, when the day upon which performance would otherwise be required or permitted is a Saturday, Sunday or holiday, then the time for performance shall be extended to the next day which is not a Saturday, Sunday or holiday. The term "holiday" shall mean all and only those State holidays specified in Sections 6700 and 7701 of the California Government Code.
18. Time of Essence. Time is of the essence of this Agreement and each and every provision hereof.
19. Waiver. The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any provision of this Agreement.
20. Entire Agreement. This Agreement shall constitute the entire understanding and agreement of the Parties hereto regarding the purchase and sale of the Property and all prior agreements, understandings, representations or negotiations are hereby superseded, terminated and canceled in their entirety, and are of no further force or effect.
21. Amendments. This Agreement may not be modified or amended except in writing by the PARTIES.
22. Applicable Law. The PARTIES hereto acknowledge that this Agreement has been negotiated and entered into in the State of California. The PARTIES hereto expressly agree that this Agreement shall in all respects be governed by the internal laws of the State of California.
23. Severability. Nothing contained herein shall be construed as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present statute, law, ordinance or regulation as to which the PARTIES have no legal right to contract, the latter shall prevail, but the affected provisions of this Agreement shall be limited only to the extent necessary to bring them within the requirements of such law.
24. Legislative Approval. Any obligation of the State created by or arising from this Agreement shall not impose a debt upon the State, but shall be payable solely out of funds duly authorized and appropriated by the California State Legislature.
25. Authorization, Approvals, Binding Nature. **This Agreement has no force and effect and is not binding on the County until and unless it is authorized at a duly noticed meeting of its Board of Supervisors.**

26. Captions, Number and Gender. The captions appearing at the commencement of the paragraphs, subparagraphs and sections hereof are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the article, paragraph or subparagraph at the head of which it appears the article, paragraph or subparagraph and not the caption shall control and govern the construction of this Agreement. In this Agreement, the masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others whenever the context so requires.
27. Survival. All terms and conditions in this Agreement, which represent continuing obligations and duties of the PARTIES, that have not been satisfied prior to Close of Escrow shall survive Close of Escrow and transfer of title to COUNTY and shall continue to be binding on the respective obligated party in accordance with their terms. All representations and warranties and statements made by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the Close of Escrow, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the Close of Escrow, or, to the extent the context requires, beyond any termination of this Agreement.
28. Further Action. Each party hereto shall, before the Close of Escrow, duly execute and deliver such papers, documents and instruments and perform all acts reasonably necessary or proper to carry out and effectuate the terms of this Agreement.
29. Exhibits. The following Exhibits are attached to this Agreement and incorporated by reference herein.

Exhibit A: Property Description
Exhibit B: Plat Map
Exhibit C: Quitclaim Deed

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

IN WITNESS WHEREOF, the PARTIES have executed this Agreement.

BUYER/COUNTY:

**COUNTY OF LOS ANGELES, a body
corporate and politic**

By: _____
Chair: _____

ATTEST:
Lori Glasgow
Executive Officer, Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By: _____
Deputy: _____
Title: _____
Date: _____

JUDICIAL COUNCIL/SELLER:

**STATE OF CALIFORNIA, by and through
the JUDICIAL COUNCIL OF CALIFORNIA**

By: _____
Name: Martin Hoshino
Title: Administrative Director
Date: _____

APPROVED AS TO FORM:
Judicial Council of California,
Legal Services

By: _____
Name: Leslie G. Miessner
Title: Supervising Attorney, Real Estate Unit
Date: _____

EXHIBIT A

LEGAL DESCRIPTION

LOTS 3 AND 4 IN BLOCK 41 OF THE TOWN OF SAN PEDRO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 84 PAGE 81 ET SEQ. OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE NORTHERLY 10 FEET OF SAID LOT 4 CONDEMNED FOR WIDENING FIFTH STREET, BY DECREE DATED JULY 29, 1925 AND RECORDED IN BOOK 5134 PAGE 308 OF OFFICIAL RECORDS.

Assessor's Parcel Number: 7455-013-901

7455	13
SCALE 1" = 60'	
2010	

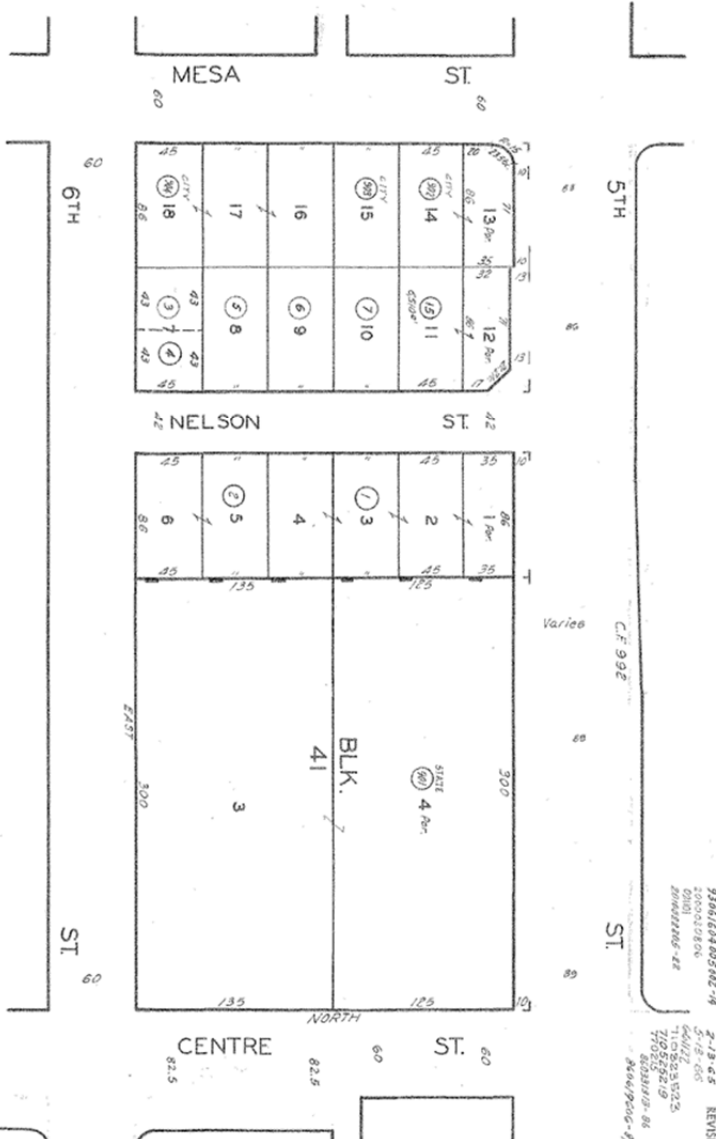
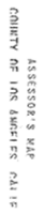
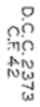


EXHIBIT C
QUITCLAIM DEED

WHEN RECORDED MAIL TO:

County of Los Angeles
Attention: Chris Montana
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

OFFICIAL STATE BUSINESS – EXEMPT FROM RECORDING FEES
PURSUANT TO GOV'T. CODE SECTION 27383 AND DOCUMENTARY
TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE
SECTION 11922.

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

QUITCLAIM DEED	JCC Bldg. ID: 19-Z1
APN: 7455-013-901; County of Los Angeles	
<p>For a valuable consideration, receipt of which is hereby acknowledged, the STATE OF CALIFORNIA, BY AND THROUGH THE JUDICIAL COUNCIL OF CALIFORNIA (“Grantor”), does hereby remise, release, and forever quitclaim to the COUNTY OF LOS ANGELES, a body corporate and politic, all of the Grantor’s right, title, and interest in and to the real property in the City of Los Angeles, County of Los Angeles, State of California, described in Exhibit “A” attached hereto and by this reference made a part hereof.</p> <p>Subject to all covenants, restrictions, reservations, easements, rights, and rights-of-way of record, if any.</p>	
<p>APPROVED AS TO FORM: Judicial Council of California, Legal Services</p> <p>By: _____ Name: Leslie G. Miessner Title: Supervising Attorney Date: _____</p>	<p>GRANTOR:</p> <p>STATE OF CALIFORNIA, by and through the JUDICIAL COUNCIL OF CALIFORNIA</p> <p>By: _____ Name: Martin Hoshino Title: Administrative Director Date: _____</p>

EXHIBIT A TO QUITCLAIM DEED

LEGAL DESCRIPTION

LOTS 3 AND 4 IN BLOCK 41 OF THE TOWN OF SAN PEDRO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 84 PAGE 81 ET SEQ. OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE NORTHERLY 10 FEET OF SAID LOT 4 CONDEMNED FOR WIDENING FIFTH STREET, BY DECREE DATED JULY 29, 1925 AND RECORDED IN BOOK 5134 PAGE 308 OF OFFICIAL RECORDS.

Assessor's Parcel Number: 7455-013-901

JUDICIAL COUNCIL ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

DATE POSTED – June 2, 2016

NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION

Department Name: Chief Executive Office
Project Title: Acquisition of Improved Property

This notice is provided as required by the California Environmental Quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles
Chief Executive Office

ORIGINAL FILED

JUN 02 2016

2. Address/Phone No. - 222 South Hill Street, 3rd Floor
Los Angeles, California 90012

LOS ANGELES, COUNTY CLERK

Agent Telephone
Roger Hernandez (213) 974-4208

3. Date Information Form Submitted – June 2, 2016

4. Agency Requiring Information Form - Los Angeles County
Chief Executive Office
Real Estate Division

5. Address of Facility Involved – 505 S. Centre St.
Los Angeles, CA 90731

6. Description of Project- The proposed project is for the County of Los Angeles to acquire a 1.79 acre, improved parcel located at 505 S. Centre St., Los Angeles, CA 90731.

7. Finding for Negative Declaration- It has been determined that this project will not have a significant effect on the environment.

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2 above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con Roger Hernandez, para asistencia en obtener una traduccion a el numero (213) 974-4208.

NEGATIVE DECLARATION

Department Name: Chief Executive Office
Project Title: Acquisition of Improved Property

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. **Description of Project**

The proposed project is for the County of Los Angeles to acquire an approximately 1.79 acre, improved parcel of land containing a 30,000 square foot building comprised of a two story office building with a paved parking lot and associated landscaping, formerly known as the San Pedro Courthouse located at 505 S. Centre St. in the City of Los Angeles.

2. a. **Location of Project** (map attached)

505 S. Centre St.
Los Angeles, CA 90731

b. **Name of Project Proponent**

County of Los Angeles
Chief Executive Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

3. **Finding for Negative Declaration**

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated June 2, 2016 which constitutes the Initial Study of this project.

4. **Initial Study**

An Initial Study leading to this Negative Declaration has been prepared by the Chief Executive Office and is attached hereto.

5. **Mitigation Measures Included in Project**

None required.

Date
June 2, 2016

Real Property Agent
Roger Hernandez

Telephone
(213) 974-4208

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

COUNTY OF LOS ANGELES ACQUISITION OF PROPERTY

NEGATIVE DECLARATION

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to acquire an approximately 1.79 acre, improved parcel of land containing a 30,000 square foot two-story office building, paved parking lot, and associated landscaping, formerly known as the San Pedro Courthouse located at 505 S. Centre St. in the City of Los Angeles.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

INITIAL STUDY

I. Location and Description of Project

The acquisition parcel is located at 505 S. Centre St. in the City of Los Angeles, in the Fourth Supervisorial District approximately 24.5 miles south of the Los Angeles Civic Center, 1 mile south of the CA 110 Freeway, and is depicted in the attached Exhibit A.

The approximately 1.79 acre parcel to be acquired is owned by the State of California (State) and the property is currently improved with a 30,000 square foot, two-story building formerly known as the Los Angeles Superior Court courthouse. The State of California, acting by and through the Judicial Council of California, holds a 95.15% equity interest in the property and the County of Los Angeles holds a 4.85% interest on the property. The proposed project is for the County to acquire the State's interest in the property.

This project consists of acquiring this 1.79 acre parcel depicted on the attached Exhibit A.

II. Compatibility with General Plan

The City of Los Angeles was notified of the proposed acquisition in accordance with California Government Code Sections 65402 and 54222. The subject property is designated on the City's General Plan as being located within the General Plan's Commercial Manufacturing zone with a General Plan Land Use of Limited Manufacturing. The proposed acquisition poses no conflict with the City of Los Angeles adopted General Plan.

III. Environmental Setting

The project site is located in a commercially developed area of Los Angeles surrounded by commercial buildings. The 1.79 acre parcel includes a 30,000 square foot, two-story building improvement, paved parking lot and associated landscaping. The site is generally bound by S. Centre Street to the west, W. 6th Street to the south, W. 5th Street to the north, and S. Mesa Street to the west.

IV. Identification of Environmental Effects

- A. The impact of the proposed acquisition project on existing land forms will be negligible as no reshaping of the soil nor excavation nor foundations, utility lines, sewer lines or water lines is anticipated.
- B. The project will not conflict with adopted environmental plans and goals of the County of Los Angeles.

- C. The project will not have a substantial demonstrable negative aesthetic effect on the site.
- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. The acquisition will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.
- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic, nor will it affect the carrying capacity of the present street system. The County's acquisition is in conformance with the land uses approved by the County of Los Angeles.
- J. The project will not displace any persons from the site.
- K. The project will not substantially generate and noise or increase the ambient noise levels to adjoining areas.
- L. The project will not cause flooding, erosion or siltation.
- M. The project will not expose people or structures to major geologic hazards.
- N. The project will not expend a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No significant increased energy consumption is anticipated by the County's use of the premises as compared to previous uses.
- P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.
- Q. No public health or safety hazard or potential public health or safety

hazard will be created by this project.

- R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

None Required.

VI. Initial Study Preparation

This study was prepared by Roger Hernandez of the Los Angeles County Chief Executive Office, Real Estate Division. This study was completed on June 2, 2016.